

FINANCIAL EXECUTIVES INTERNATIONAL AND AFFILIATE
Consolidated Financial Statements
June 30, 2022 and 2021
With Independent Auditor's Report

Financial Executives International and Affiliate
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June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Financial Executives International and Affiliate:

Opinion

We have audited the accompanying consolidated financial statements of Financial Executives International and Financial Education & Research Foundation (the "Affiliate"), (collectively the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021 and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Financial Executives International and Affiliate as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, consolidating statements of activities and changes in net assets and consolidating statements of cash flows (collectively, the “supplementary information”) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



September 29, 2022

Financial Executives International and Affiliate
Consolidated Statements of Financial Position
June 30, 2022 and 2021
(\$ In Thousands)

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,587	\$ 1,154
Investments	5,907	6,807
Accounts receivable, net	131	79
Government grants receivable	445	320
Prepaid expenses	<u>161</u>	<u>158</u>
Total current assets	8,231	8,518
Long-term investments	198	1
Equipment and leasehold improvements, net	103	123
Other assets	<u>9</u>	<u>50</u>
Total assets	<u>\$ 8,541</u>	<u>\$ 8,692</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,297	\$ 1,042
Unearned revenue	1,272	1,344
PPP loan payable	-	273
Other current liabilities	<u>121</u>	<u>114</u>
Total current liabilities	2,690	2,773
Pension plan and other post-retirement benefits	<u>614</u>	<u>1,092</u>
Total liabilities	<u>3,304</u>	<u>3,865</u>
Net assets - without donor restrictions		
Available for general use	8,531	8,371
Pension liability adjustment	<u>(3,294)</u>	<u>(3,544)</u>
Total net assets	<u>5,237</u>	<u>4,827</u>
Total liabilities and net assets	<u>\$ 8,541</u>	<u>\$ 8,692</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Financial Executives International and Affiliate
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2022 and 2021
(\$ In Thousands)

	<u>2022</u>	<u>2021</u>
Operating revenues		
Membership dues and fees	\$ 1,533	\$ 1,918
Professional development	2,632	2,140
Content	435	442
Contributions	438	427
Technical activities	622	411
Other revenues	<u>246</u>	<u>339</u>
Total operating revenues	<u>5,906</u>	<u>5,677</u>
Operating activities and expenses		
Program services		
Professional development	1,520	1,091
Member services and chapter support	1,399	1,323
Technical activities	803	740
Content	<u>632</u>	<u>637</u>
Total program services	<u>4,354</u>	<u>3,791</u>
Supporting services		
Management and general	1,389	1,579
Fundraising	<u>124</u>	<u>172</u>
Total supporting services	<u>1,513</u>	<u>1,751</u>
Total operating activities and expenses	<u>5,867</u>	<u>5,542</u>
Change in operating activities	<u>39</u>	<u>135</u>
Nonoperating revenue (expense)		
Net investment return	(536)	1,560
Other components of net periodic pension cost	202	61
Pension related changes other than net periodic pension cost	250	1,345
Government grants	182	320
Forgiveness of debt	<u>273</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>371</u>	<u>3,286</u>
Change in net assets without donor restrictions	410	3,421
Net assets without donor restrictions		
Beginning of year	<u>4,827</u>	<u>1,406</u>
End of year	<u>\$ 5,237</u>	<u>\$ 4,827</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Financial Executives International and Affiliate
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021
(\$ In Thousands)

	<u>2022</u>	<u>2021</u>
Operating activities		
Change in net assets without donor restrictions	\$ 410	\$ 3,421
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities		
Depreciation and amortization	68	140
Deferred rent	-	(13)
PPP loan forgiveness	(273)	-
Sublease liability	-	(53)
Unrealized losses (gains) on investments	918	(1,397)
Realized gains on investments	(184)	(13)
Pension related changes other than net periodic pension cost	(250)	(1,345)
Changes in		
Accounts receivable	(52)	279
Government grants receivable	(125)	(320)
Prepaid expenses and other assets	38	98
Accounts payable, accrued expenses and other current liabilities	262	262
Unearned revenue	(72)	(808)
Pension plan and other post-retirement benefits	(228)	(85)
Net cash provided by operating activities	<u>512</u>	<u>166</u>
Investing activities		
Proceeds from redemption of investments	1,811	865
Purchases of investments	(1,842)	(739)
Purchases of equipment and leasehold improvements	(48)	(81)
Net cash provided by (used in) investing activities	<u>(79)</u>	<u>45</u>
Net change in cash and cash equivalents	433	211
Cash and cash equivalents		
Beginning of year	<u>1,154</u>	<u>943</u>
End of year	<u>\$ 1,587</u>	<u>\$ 1,154</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Financial Executives International and Affiliate
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022
(\$ In Thousands)**

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Total</u>
	<u>Professional Development</u>	<u>Member Services and Chapter Support</u>	<u>Technical Activities</u>	<u>Content</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and benefits	\$ 403	\$ 868	\$ 518	\$ 486	\$ 2,275	\$ 1,105	\$ 97	\$ 3,477
Professional fees	18	192	105	102	417	159	3	579
Publicity, promotion and marketing	23	47	-	14	84	-	19	103
Information technology	40	149	16	15	220	46	3	269
Occupancy	55	2	1	-	58	45	-	103
Travel	2	18	20	3	43	3	-	46
Conferences/meetings	973	38	121	-	1,132	18	-	1,150
Other	6	85	22	12	125	13	2	140
	<u>\$ 1,520</u>	<u>\$ 1,399</u>	<u>\$ 803</u>	<u>\$ 632</u>	<u>\$ 4,354</u>	<u>\$ 1,389</u>	<u>\$ 124</u>	<u>\$ 5,867</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Financial Executives International and Affiliate
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021
(\$ In Thousands)**

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Total</u>
	<u>Professional Development</u>	<u>Member Services and Chapter Support</u>	<u>Technical Activities</u>	<u>Content</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and benefits	\$ 351	\$ 804	\$ 512	\$ 458	\$ 2,125	\$ 1,175	\$ 109	\$ 3,409
Professional fees	27	188	111	103	429	192	4	625
Publicity, promotion and marketing	33	61	-	17	111	2	48	161
Information technology	64	161	32	31	288	77	6	371
Occupancy	28	34	21	20	103	43	4	150
Travel	-	1	5	-	6	1	-	7
Conferences/meetings	585	-	46	-	631	3	-	634
Other	3	74	13	8	98	86	1	185
	<u>\$ 1,091</u>	<u>\$ 1,323</u>	<u>\$ 740</u>	<u>\$ 637</u>	<u>\$ 3,791</u>	<u>\$ 1,579</u>	<u>\$ 172</u>	<u>\$ 5,542</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
June 30, 2022 and 2021
(\$ In Thousands)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Financial Executives International ("FEI"), pursuant to the code of law of the District of Columbia, has a mission and a purpose to inform its members of evolving financial, economic, and related technological issues to help prepare members to successfully address these matters through its chapters, committees, events, publications, webinars and on demand learning. FEI provides in-person and virtual forums for peer interaction and issues discussion; promotes ethical practices in conformance with its Code of Ethics, which is attested to annually by its members and represents their views before legislative and regulatory bodies, while enhancing public recognition, understanding, and support for FEI and its membership.

Financial Education & Research Foundation (the "Foundation"), pursuant to the Membership Corporations Law of the State of New York, is a 501(c)(3) nonprofit corporation, which serves as the research affiliate of FEI and has a mission to advance the profession and practices of financial management through professional education programs and objective financial research projects.

FEI members contribute their volunteer services to, and receive benefits from, national and international activities through representation on the Board of Directors, participation on advocacy, accounting policy and standing committees, roundtables, or task forces, attendance at meetings and events, as well as through other opportunities for engagement. While these contributions of services are significant to the operations of FEI and the Foundation (collectively the "Organization"), no monetary value has been assigned to them in the Organization's consolidated financial statements. *FEI Daily*, research and other publications are distributed to members and non-members. FEI chapters, while operating under charters granted by FEI, are not included in these consolidated financial statements.

Principles of Consolidation

FEI, organized as a not-for-profit organization under section 501(c)(6) of the Internal Revenue Code (the "Code"), has sole corporate membership in the Foundation organized under section 501(c)(3) of the Code. The accompanying consolidated financial statements include the accounts of FEI and the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting and Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. Based on the existence of donor-imposed restrictions, the Organization classifies resources into two categories: net assets without donor restrictions and net assets with donor restrictions. For the years ended June 30, 2022 and 2021, the Organization only has net assets without donor restrictions, which represent net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Measure of Operations

The consolidated statements of activities and changes in net assets report all changes in net assets, including changes in net assets from operating and nonoperating activities. Nonoperating activities are limited to activities that are considered to be of a nonrecurring nature and items that are generally not an integral part to the Organization's programs and supporting activities, which include emergency relief from government programs, the other components of net periodic pension costs, the pension related changes other than net periodic pension cost, and the Organization's investment income, which generally is not used in operations.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
June 30, 2022 and 2021
(\$ In Thousands)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in these consolidated financial statements include the pension plan and other post-retirement benefits liabilities (see Note 8), depreciation expense, and the allocation of functional expense.

Concentrations of Credit Risk

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash, accounts receivable and investments. The Organization places its cash, money market accounts, and investments with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. Investment risk is mitigated due to the Organization's investment diversification.

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash held in banks and money market funds. The Organization considers all highly liquid financial instruments with initial maturities of three months or less from the date of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable consist of unsecured non-interest bearing obligations with various payment terms due from members, chapters, registrants and sponsors. These receivables are stated net of an allowance for doubtful accounts of \$4 for each of the years ended June 30, 2022 and 2021. The Organization closely monitors the extension of credit to its members and customers while maintaining allowances for potential credit losses. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs, collections, and current credit considerations.

Investments

The Organization's investments in certificates of deposit are carried at amortized cost. Investments in equity securities are carried at fair value and investments in debt securities that are held to maturity are valued at amortized cost. Investment income includes revenue earned from investments, any unrealized gains or losses on these investments, as well as any realized gains or losses from the sale of these investments. Investments with maturity dates greater than one year are shown as long-term investments.

Investments are currently held in accounts insured under the Security Investors Protection Corporation. At June 30, 2022 and 2021, the Organization has amounts invested exceeding these insured limits of approximately \$5,605 and \$6,308, respectively.

The Organization's investment objectives are to: (1) maintain sufficient liquidity to meet operating cash needs, (2) preserve capital through prudent diversification, and (3) achieve the highest rate of return within prudent levels of risk and reasonable cost. Under the Organization's investment policy, investments in debt instruments are made with the intent to hold to maturity.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are recorded at cost less accumulated depreciation and amortization. Depreciation is provided on the straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized over the expected life of the lease or the useful life of the asset, whichever is shorter. The Organization's policy is to write off any assets that are no longer in service.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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(\$ In Thousands)

Valuation of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no impairment was required for the periods presented in these consolidated financial statements.

Revenue Recognition

Revenue from Contracts with Customers

Membership Dues

Membership provides many benefits including access to leading industry research, a private online networking community, newsletters, and complimentary or reduced rates for continuing professional development, educational courses, and events. Access to these benefits is available throughout and can occur anytime during the membership period. Therefore, membership benefits are treated as part of the membership itself rather than multiple performance obligations. Membership is billed to members annually based on anniversary date. These benefits are consumed by the member over the membership term and, therefore, are recognized over time. Any membership dues payments received in the current year for the following year are recorded as unearned member dues in the consolidated statements of financial position. In the following year, these payments are removed from the account and recorded as revenue.

Professional Development

Professional development (“PD”) revenue includes registration fees and event sponsorship receipts related to conferences, courses, webinars, and on demand learning. The Organization treats these revenues as exchange transactions and records the revenue at a point in time on the day of the event or webinar as the performance obligations are satisfied when the event is held.

Content

Content revenue represents sponsorship of research executive reports, surveys, articles, and podcasts published in *FEI Daily* and the FEI website. While revenues from various PD programs and webinars are included in PD revenues, these are promoted in *FEI Daily* and on the website. These fees are recognized as revenue as each of the contracted deliverables are fulfilled when the performance obligation is satisfied at a point in time. Content revenue also includes *FEI Engage* subscription revenue. *FEI Engage* is designed to help the next generation of financial professionals seeking to interact with like-minded finance specialists with a special focus on industry knowledge, purpose driven careers, and inclusive workplaces. These benefits are consumed by the subscriber over the subscription term and, therefore, are recognized over time.

Technical Activities

Technical activities revenue represents registration fees related to technical committee meetings. The Organization treats these revenues as exchange transactions and records the revenue at a point in time during the meetings as the performance obligations are satisfied.

Revenue Disaggregation

The Organization disaggregates revenue from contracts with customers into major revenue streams and discloses the timing of revenue recognition. Revenue from membership is primarily recognized over the membership term, while revenue from professional development, content and technical activities is generally recognized at a point in time.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
June 30, 2022 and 2021
(\$ In Thousands)

The amounts recognized for the years ended June 30 are as follows:

	2022		2021	
	Point in Time	Over Time	Point in Time	Over Time
Membership dues and fees	\$ -	\$ 1,533	\$ -	\$ 1,918
Professional development	2,632	-	2,140	-
Content	435	-	442	-
Other revenues	246	-	339	-
Technical activities	622	-	411	-
	\$ 3,935	\$ 1,533	\$ 3,332	\$ 1,918

Contract Balances

Contract assets represent services provided or performance obligations met which are not yet billed. Unearned revenue (contract liabilities) represent funds received in advance of services provided. Accounts receivable represent amounts billed for the services provided. There were no contract assets at June 30, 2022 and 2021.

Opening and ending balances of accounts receivable and unearned revenue were as follows:

	June 30, 2022				
	Unearned Revenue				
	Accounts Receivable	Membership Dues	Partnership, Sponsorship, and Conference Revenues		Total
Beginning of year	\$ 79	\$ 846	\$ 498	\$ 1,344	
End of year	\$ 131	\$ 724	\$ 548	\$ 1,272	
	June 30, 2021				
	Unearned Revenue				
	Accounts Receivable	Membership Dues	Partnership, Sponsorship, and Conference Revenues		Total
Beginning of year	\$ 358	\$ 1,074	\$ 1,078	\$ 2,152	
End of year	\$ 79	\$ 846	\$ 498	\$ 1,344	

The Organization has considered the economic factors affecting the nature, timing and uncertainty of revenue and cash flows, and concluded that there is no significant uncertainty present with respect to the revenue streams described above.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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(\$ In Thousands)

Contributions

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. All contributions received in 2022 and 2021 were support without donor restrictions. The Organization had no conditional contributions not yet recognized at June 30, 2022 and 2021.

The Organization has applied for the employee retention credit in the amount of \$502. The credit will be claimed against the Organization's payroll tax obligations for each eligible calendar quarter based on qualified wages, subject to certain limitations. For the years ended June 30, 2022 and 2021, the Organization recorded revenue totaling \$182 and \$320, respectively, which is included in nonoperating government grants revenue in the accompanying consolidated statements of activities and changes in net assets. The Organization reported government grants receivable related to the employee retention tax credit of \$445 and \$320 at June 30, 2022 and 2021, respectively. The Organization expects to collect the receivable in the next year and has evaluated that no allowance for doubtful accounts is deemed necessary at June 30, 2022 and 2021.

Other Revenue

Other revenue includes annual distributions from the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), Chapter Administration Program Services, Career Center job postings, combined dues billing services, and other miscellaneous revenue. COSO distributions are recorded in the period awarded to the Organization. Chapter Administration and other revenues are recorded in the period when the services are provided.

Activities and Functional Expenses

The Organization assigns expenses to program services and supporting activities that fulfill its mission. Expenses are allocated on a functional basis between program or supporting services. Expenses that can be identified within a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are prorated among the functions. Certain costs have been allocated among program services, management and general costs, and fundraising. Such allocations are determined by management on an equitable basis.

The expenses that are allocated and the method of allocation are as follows:

<u>Expense Category</u>	<u>Allocation Methodology</u>
Salaries and benefits	Time and effort
Professional fees	Time and effort
Occupancy	Time and effort
Travel of President and CEO	Time and effort
Other costs	Time and effort

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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(\$ In Thousands)

The Organization has the following programmatic activities:

Professional Development

Professional development (“PD”) activities include the design, development, and delivery of conferences and PD programs. These events include national conferences, Corporate Financial Reporting Insights and Financial Leadership Summit, courses, webinars, and on demand learning.

Member Services and Chapter Support

Member services and chapter support activities relate to services and support provided to members, chapter volunteer leaders and chapter administrators. This also includes career management programs, training and member recruitment and retention efforts.

Technical Activities

Through the efforts of its technical activity committees, FEI works to influence public policy and accounting and financial reporting issues affecting financial executives, which include representation with accounting standard-setters and governmental and regulatory agencies in the United States.

Content

Content expenses include activities related to *FEI Daily*, the FEI website, published research, and other communications to both FEI members and non-members.

Income Taxes

FEI and the Foundation are exempt from federal income taxes under section 501(c)(6) and 501(c)(3) of the Code, respectively. Revenue from job postings is subject to unrelated business income taxes. The Organization had no taxes due for the years ended June 30, 2022 and 2021. The Organization has no unrecognized tax benefits at June 30, 2022 and 2021, and incurred no interest or penalties for the periods presented in these consolidated financial statements.

Accounting Pronouncements Adopted in the Current Year

Gifts In-Kind

During 2022, the Organization adopted the presentation and disclosure requirements of FASB ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). This ASU requires presentation of contributed nonfinancial assets apart from contributions of cash and other financial assets, along with expanded disclosure requirements. The adoption of this ASU had no material impact on the current or previously issued financial statements.

Accounting Pronouncements Issued Not Yet Effective

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (“ASU 2016-02”), which requires lessees to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will continue to primarily depend on its classification as a finance or operating lease. However, unlike current U.S. GAAP, which requires only capital leases to be recognized on the statement of financial position, ASU 2016-02 will require both types of leases to be recognized on the statement of financial position. ASU 2016-02 also requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. The Organization is currently evaluating the effect of this standard and the impact it will have depending on leasing arrangements entered in the future. This ASU is effective for fiscal years beginning after December 15, 2021.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
June 30, 2022 and 2021
(\$ In Thousands)

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 1,587	\$ 1,154
Investments	5,907	6,807
Accounts receivable, net	131	79
Government grants receivable	<u>445</u>	<u>320</u>
Total financial assets available for general expenditure in the next year	<u>\$ 8,070</u>	<u>\$ 8,360</u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. Cash flows fluctuate based on the timing of professional development events, membership dues collection cycles and other factors.

3. INVESTMENTS

Investments consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Certificates of deposit	\$ 1,342	\$ 802
Corporate debt issues	1	1
Equities	1,551	1,848
Mutual funds	<u>3,211</u>	<u>4,157</u>
Total investments	<u>\$ 6,105</u>	<u>\$ 6,808</u>

The Organization invests in conservative instruments which mainly comprise publicly traded stocks and funds. The Organization's investments are exposed to various risks, such as fluctuations in market value, interest rate and credit risks. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements. The Organization mitigates risk by diversifying its portfolio among many instruments across a wide range of high-quality securities and industries as noted above. Of these, the certificates of deposit, valued at \$1,342 and \$802 as of June 30, 2022 and 2021, respectively, are subject to interest rate fluctuations. The remaining investments, valued at \$4,763 and \$6,006 as of June 30, 2022 and 2021, respectively, are all subject to market value and credit risks. The Organization has reviewed and determined that none of these investments present a significant credit risk to the Organization. The Organization does not require collateral or a custodial arrangement for its investments, as it believes risks are not significant. Cumulative net unrealized gains (losses) amounted to \$1,462 and \$2,381 as of June 30, 2022 and 2021, respectively.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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(\$ In Thousands)

4. FAIR VALUE MEASUREMENTS

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy is established that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3 - Unobservable inputs are used when little or no market data is available.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value. The Organization had no Level 3 assets or liabilities at June 30, 2022 and 2021.

Investments in equity securities and fixed income bond funds are valued using market prices from active markets (Level 1). Mutual funds and equities are valued at the fair value of the shares held by the Organization at year-end. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Corporate bonds are valued at amortized cost and not at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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Financial assets carried at fair value at June 30, 2022 are classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
Equities	\$ 1,551	\$ 1,551
Mutual funds		
Intermediate term bond funds	251	251
Large blend - world allocation fund	2,422	2,422
Foreign large value	211	211
Large blend - moderate allocation	<u>327</u>	<u>327</u>
Total mutual funds	<u>3,211</u>	<u>3,211</u>
Total investments at fair value	<u>\$ 4,762</u>	4,762
Corporate debt issues		1
Certificates of deposit		<u>1,342</u>
Total investments		<u>\$ 6,105</u>

Financial assets carried at fair value at June 30, 2021 are classified in the table below as follows:

	<u>Level 1</u>	<u>Total</u>
Equities	\$ 1,848	\$ 1,848
Mutual funds		
Intermediate term bond funds	284	284
Large blend - world allocation fund	3,215	3,215
Foreign large value	256	256
Large blend - moderate allocation	<u>402</u>	<u>402</u>
Total mutual funds	<u>4,157</u>	<u>4,157</u>
Total investments at fair value	<u>\$ 6,005</u>	6,005
Corporate debt issues		1
Certificates of deposit		<u>802</u>
Total investments		<u>\$ 6,808</u>

5. EQUIPMENT

Equipment consisted of the following at June 30, 2022:

<u>Description</u>	<u>Useful Life (Years)</u>	<u>Asset Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net</u>
Computer equipment and software	3-5	\$ 521	\$ (435)	\$ 86
Website	3	<u>615</u>	<u>(598)</u>	<u>17</u>
		<u>\$ 1,136</u>	<u>\$ (1,033)</u>	<u>\$ 103</u>

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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Equipment consisted of the following at June 30, 2021:

Description	Useful Life (Years)	Asset Cost	Accumulated Depreciation and Amortization	Net
Computer equipment and software	3-5	\$ 609	\$ (531)	\$ 78
Website	3	<u>690</u>	<u>(645)</u>	<u>45</u>
		<u>\$ 1,299</u>	<u>\$ (1,176)</u>	<u>\$ 123</u>

Depreciation and amortization expense amounted to \$68 and \$140 for the years ended June 30, 2022 and 2021, respectively, which is included in information technology in the consolidated statements of functional expenses.

6. PPP LOAN PAYABLE

On April 13, 2020, the Foundation issued an unsecured promissory note (the "Loan") for \$273 through the Paycheck Protection Program ("PPP") established under the CARES Act and administered by the U.S. Small Business Administration ("SBA"). The Loan was guaranteed by the SBA. The Loan may be forgiven, in whole or in part, if the Foundation was eligible for the Loan at the time of application, used the Loan proceeds for eligible expenses within the defined 24-week period after the Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements.

The Loan was made through JPMorgan Chase Bank, N.A. (the "Lender"), had a two-year term, bore interest at 1.00% per annum, and had a maturity date of December 20, 2022. On July 22, 2021, the Foundation was informed that its application for forgiveness of \$273 of the Loan was approved. Accordingly, the Foundation recognized forgiveness of \$273 for the year ended June 30, 2022, included in forgiveness of debt on the statement of activities and changes in net assets.

7. NET ASSETS

Net assets without donor restrictions consisted of the following at June 30, 2022 and 2021:

	Operations	Pension Liability Adjustment	Total
Balance, June 30, 2020	\$ 6,295	\$ (4,889)	\$ 1,406
Changes in net assets without donor restrictions	2,076	-	2,076
Pension liability adjustment	<u>-</u>	<u>1,345</u>	<u>1,345</u>
Balance, June 30, 2021	8,371	(3,544)	4,827
Changes in net assets without donor restrictions	160	-	160
Pension liability adjustment	<u>-</u>	<u>250</u>	<u>250</u>
Balance, June 30, 2022	<u>\$ 8,531</u>	<u>\$ (3,294)</u>	<u>\$ 5,237</u>

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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8. PENSION PLANS AND OTHER POST-RETIREMENT BENEFITS

Qualified Plan

FEI sponsors a non-contributory defined benefit pension plan for qualifying former and active employees of FEI, the Foundation, and a formerly related entity, FEI Canada ("FEIC") (collectively the "Plan"). The amount to be paid at normal retirement date is based on credited service, which varies based on dates of hire. The Plan was amended to close the plan to new employees hired after March 1, 2005. The Plan was amended to freeze and provide no further benefit accruals after October 1, 2009. Benefit obligation, Plan expenses, and Plan contributions are shared among the three organizations. The tables below include the activity of FEI and the Foundation but do not include the activity related to FEIC.

Plan contributions are based on average pension plan expense for the last five years. Contributions to the Plan are made as needed and a required contribution of \$66 expected for the year ended June 30, 2023.

Supplemental Plan

The supplemental pension plan is a non-qualified plan that was set up to provide retirement benefits to two retired FEI executives and their beneficiaries. This Plan is not funded, and payments are made from current operating funds. In 2022 and 2021, payments were made to one former executive for the full year.

Other Post-Retirement Benefits

FEI provides a fixed reimbursement for individual supplemental medical plans to a closed group of retired employees. Benefits are limited to a fixed quarterly amount which are frozen at their current level and will not increase in the future. The post-retirement benefit plan is not funded, and payments are made from current operating funds. In 2022 and 2021, payments were made to 4 and 5 former employees, respectively.

Weighted-Average Assumptions

Assumptions used to determine the projected benefit obligation and the net periodic benefit cost for the fiscal years ended June 30, 2022 and 2021 were as follows:

Projected Benefit Obligation

	<u>2022</u>	<u>2021</u>
Discount rate	4.60%	2.70%
Rate of compensation increase	N/A	N/A
Expected long-term rates of return on plan assets (defined benefit pension plan)	6.25%	6.25%

Net Periodic Benefit Cost

	<u>2022</u>	<u>2021</u>
Discount rate	2.70%	2.85%
Rate of compensation increase	N/A	N/A
Expected long-term rates of return on plan assets (defined benefit pension plan)	6.25%	6.50%

For June 30, 2022, FEI utilized the PRI-2012 Mortality Table projected with scale MP-2021 with White Collar adjustment. For June 30, 2021, FEI utilized the PRI-2012 Mortality Table projected with scale MP-2020 with White Collar adjustment.

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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FEI uses the expected long-term rate of return on plan assets to compute the expected return on assets. For the pension plan, FEI estimates the expected long-term return by utilizing a portfolio return calculator model that produces the expected return for a portfolio.

The Organization's obligations and funded status of the Plan, excluding FEIC, were as follows at June 30, 2022 and 2021:

<u>Benefit Obligation</u>	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
Benefit obligation at June 30, 2020	\$ 9,848	\$ 520	\$ 46	\$ 10,414
Interest cost	274	14	1	289
Actuarial loss	321	27	2	350
Benefits paid	<u>(470)</u>	<u>(73)</u>	<u>(7)</u>	<u>(550)</u>
Benefit obligation at June 30, 2021	9,973	488	42	10,503
Interest cost	263	12	1	276
Actuarial loss	(1,925)	(3)	(3)	(1,931)
Benefits paid	<u>(456)</u>	<u>(73)</u>	<u>(6)</u>	<u>(535)</u>
Benefit obligation at June 30, 2022	<u>\$ 7,855</u>	<u>\$ 424</u>	<u>\$ 34</u>	<u>\$ 8,313</u>

The fair value of the Plan assets, excluding FEIC, were as follows at June 30, 2022 and 2021:

<u>Fair Value of Plan Assets</u>	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
Fair value of Plan assets at June 30, 2020	\$ 7,816	\$ -	\$ -	\$ 7,816
Actual return on Plan assets	1,988	-	-	1,988
Employer contributions	-	73	7	80
Benefits paid	<u>(470)</u>	<u>(73)</u>	<u>(7)</u>	<u>(550)</u>
Fair value of Plan assets at June 30, 2021	9,334	-	-	9,334
Actual return on Plan assets	(1,255)	-	-	(1,255)
Employer contributions	-	73	6	79
Benefits paid	<u>(456)</u>	<u>(73)</u>	<u>(6)</u>	<u>(535)</u>
Fair value of Plan assets at June 30, 2022	<u>\$ 7,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,623</u>

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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(\$ In Thousands)

The Organization's funded status, excluding FEIC, was as follows at June 30, 2022 and 2021:

<u>Funded Status</u>	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
Funded status at June 30, 2022	\$ (232)	\$ (424)	\$ (34)	\$ (690)
Funded status at June 30, 2021	\$ (639)	\$ (488)	\$ (42)	\$ (1,169)

Amounts recognized in the consolidated statements of financial position were as follows at June 30, 2022 and 2021:

	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
June 30, 2022				
Current liabilities	\$ -	\$ 70	\$ 6	\$ 76
Non-current liabilities	<u>232</u>	<u>354</u>	<u>28</u>	<u>614</u>
	<u>\$ 232</u>	<u>\$ 424</u>	<u>\$ 34</u>	<u>\$ 690</u>
June 30, 2021				
Current liabilities	\$ -	\$ 71	\$ 6	\$ 77
Non-current liabilities	<u>639</u>	<u>417</u>	<u>36</u>	<u>1,092</u>
	<u>\$ 639</u>	<u>\$ 488</u>	<u>\$ 42</u>	<u>\$ 1,169</u>

The current portion of the liability is included in accounts payable and accrued expenses on the consolidated statements of financial position.

Financial Executives International and Affiliate
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The Organization's change in net unrecognized loss (gain), excluding FEIC, for the years ended June 30, 2022 and 2021 was as follows:

	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
June 30, 2020 net unrecognized actuarial loss included in net assets without donor restrictions	\$ 4,574	\$ 313	\$ 2	\$ 4,889
Net loss (gain)	(1,173)	27	1	(1,145)
Amortization of net loss (gain)	<u>(159)</u>	<u>(41)</u>	<u>-</u>	<u>(200)</u>
June 30, 2021 net unrecognized actuarial loss included in net assets without donor restrictions	3,242	299	3	3,544
Net loss (gain)	(101)	(3)	(2)	(106)
Amortization of net loss (gain)	<u>(102)</u>	<u>(42)</u>	<u>-</u>	<u>(144)</u>
June 30, 2022 net unrecognized actuarial loss included in net assets without donor restrictions	<u>\$ 3,039</u>	<u>\$ 254</u>	<u>\$ 1</u>	<u>\$ 3,294</u>

Components of net periodic benefit cost and other amounts recognized in other changes in net assets, excluding FEIC, consisted of the following at June 30, 2022 and 2021:

	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
Interest cost	\$ 262	\$ 12	\$ 1	\$ 275
Expected return on Plan assets	(566)	-	-	(566)
Amortization of net actuarial loss	<u>102</u>	<u>42</u>	<u>-</u>	<u>144</u>
Net periodic (benefit) cost, June 30, 2022	<u>\$ (202)</u>	<u>\$ 54</u>	<u>\$ 1</u>	<u>\$ (147)</u>
Interest cost	\$ 274	\$ 14	\$ 1	\$ 289
Expected return on Plan assets	(494)	-	-	(494)
Amortization of net actuarial loss	<u>159</u>	<u>41</u>	<u>-</u>	<u>200</u>
Net periodic (benefit) cost, June 30, 2021	<u>\$ (61)</u>	<u>\$ 55</u>	<u>\$ 1</u>	<u>\$ (5)</u>

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
June 30, 2022 and 2021
(\$ In Thousands)

Plan Assets

The Group Pension Plan assets of FEI, Foundation and FEIC, carried at fair value at June 30, 2022, are classified in the table below in one of the three categories as described in Note 4 - fair value measurements. There were no Level 3 assets at June 30, 2022.

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities and fixed income			
Equity securities - U.S.	\$ 3,906	\$ -	\$ 3,906
Equity securities - non-U.S.	1,212	-	1,212
Fixed income bond funds	2,758	-	2,758
Real estate funds	-	368	368
Total assets	<u>\$ 7,876</u>	<u>\$ 368</u>	<u>\$ 8,244</u>

The Group Pension Plan assets of FEI, Foundation and FEIC, carried at fair value at June 30, 2021 are classified in the table below in one of the three categories as described in Note 4 - fair value measurements. There were no Level 3 assets at June 30, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities and fixed income			
Equity securities - U.S.	\$ 4,604	\$ -	\$ 4,604
Equity securities - non-U.S.	1,535	-	1,535
Fixed income bond funds	3,581	-	3,581
Real estate funds	-	409	409
Money market fund	97	-	97
Total assets	<u>\$ 9,817</u>	<u>\$ 409</u>	<u>\$ 10,226</u>

The expected long-term rate of return for the Plan's assets is based on the expected return of each of the asset categories weighted based on the mean of the target allocation of the class.

The Group Pension Plan asset allocations at June 30 by asset category, were as follows:

	<u>2022</u>	<u>2021</u>
Asset category		
Equity securities - U.S.	47.3 %	45.0 %
Equity securities - non-U.S.	14.7	15.0
Fixed income bond funds	33.5	35.0
Real estate funds	4.5	4.0
Money market	-	1.0
	<u>100.0 %</u>	<u>100.0 %</u>

Financial Executives International and Affiliate
Notes to Consolidated Financial Statements
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(\$ In Thousands)

Investment Strategy

The Plan assets are invested with the objective of being able to meet current and future benefit payment needs, while controlling pension expense volatility and future contributions. Plan assets are diversified among U.S. equities, international equities, U.S. fixed income investments and real estate. The strategic target allocations at June 30, 2022 and 2021, as noted in the below table, allows a threshold range.

Asset category	
Equity securities - U.S.	43.0 %
Equity securities - non-U.S.	15.0
Fixed income bond funds	35.0
Real estate funds	4.0
Cash	3.0
	<u>100.0 %</u>

Expected Benefit Payments

Estimated future benefit payments reflecting expected future service for each of the five years subsequent to June 30, 2022 and in the aggregate for the five years thereafter for FEI, the Foundation and FEIC are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Qualified Pension</u>	<u>Supplemental Pension</u>	<u>Retiree Medical</u>	<u>Total</u>
2023	\$ 516	\$ 71	\$ 6	\$ 593
2024	524	66	5	595
2025	542	61	5	608
2026	558	56	4	618
2027	547	50	4	601
2028-2031	<u>2,846</u>	<u>158</u>	<u>13</u>	<u>3,017</u>
	<u>\$ 5,533</u>	<u>\$ 462</u>	<u>\$ 37</u>	<u>\$ 6,032</u>

401(k) Plan

The Organization maintains a 401(k) plan, whereby employees can contribute a percentage of their earnings on a tax-deferred basis. The Organization makes a safe harbor match of 100% of the employees' contribution on the first 3% of eligible earnings deferred and 50% of deferrals that exceed 3% but do not exceed 5% of eligible earnings deferred. The Organization contributed \$88 and \$87 to the 401(k) plan in 2022 and 2021, respectively, which is included in salaries and benefits on the consolidated statement of functional expenses.

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Notes to Consolidated Financial Statements
June 30, 2022 and 2021
(\$ In Thousands)

9. LEASE AND HOTEL COMMITMENTS

Lease Commitments

The Organization rented its Morristown, New Jersey office under an operating lease which expired on November 30, 2020. At that time, no new long-term leases were entered into. The Organization recognized expense on a straight-line basis over the expected term of the lease. Beginning on June 1, 2018, the Organization sublet 9,000 square feet of its Morristown office for the remainder of the lease. For the years ended June 30, 2022 and 2021, rental expense before sublease offset amounted to \$-0- and \$169, respectively, and the Organization recognized an expense offset for the sublease rent and the amortization on the loss on sublease in the amount of \$-0- and \$105, respectively.

The Organization leased copiers and other office equipment for use in the Morristown office. For the years ended June 30, 2022 and 2021, equivalent rental expense amounted to \$-0- and \$9, respectively.

Conference and Hotel Commitments

The Organization contracts with hotels and convention facilities for its professional development events and technical committee and leadership meetings. The Organization recognizes the expense for these events in the month that the event or meeting is held. However, should the Organization cancel or move an event/meeting to another facility, it would constitute a breach of its obligation and the Organization would be contractually required to pay liquidation damages and/or cancellation fees depending on certain milestones in the contract. There were no cancellation fees for the years ended June 30, 2022 and 2021. As of June 30, 2022, the Organization had contracts whereby if it cancelled these contracts, it would owe approximately \$444; however, management currently has no intentions to terminate any of the existing agreements.

10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through September 29, 2022, which is the date the consolidated financial statements were available for issuance and has determined no events occurred requiring adjustment to or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Financial Executives International and Affiliate
Consolidating Statement of Financial Position
June 30, 2022
(\$ In Thousands)

	<u>FEI</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 1,209	\$ 378	\$ -	\$ 1,587
Investments	3,711	2,196	-	5,907
Accounts receivable, net	22	1,686	(1,577)	131
Government grants receivable	189	256		445
Prepaid expenses	<u>142</u>	<u>19</u>	<u>-</u>	<u>161</u>
Total current assets	5,273	4,535	(1,577)	8,231
Long-term investments	-	198	-	198
Equipment and leasehold improvements, net	103	-	-	103
Other assets	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
Total assets	<u>\$ 5,385</u>	<u>\$ 4,733</u>	<u>\$ (1,577)</u>	<u>\$ 8,541</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 2,214	\$ 660	\$ (1,577)	\$ 1,297
Unearned revenue	747	525	-	1,272
Other current liabilities	<u>121</u>	<u>-</u>	<u>-</u>	<u>121</u>
Total current liabilities	3,082	1,185	(1,577)	2,690
Pension plan and other post-retirement benefits	<u>571</u>	<u>43</u>	<u>-</u>	<u>614</u>
Total liabilities	<u>3,653</u>	<u>1,228</u>	<u>(1,577)</u>	<u>3,304</u>
Net assets - without donor restrictions				
Available for general use	4,583	3,948	-	8,531
Pension liability adjustment	<u>(2,851)</u>	<u>(443)</u>	<u>-</u>	<u>(3,294)</u>
Total net assets	<u>1,732</u>	<u>3,505</u>	<u>-</u>	<u>5,237</u>
Total liabilities and net assets	<u>\$ 5,385</u>	<u>\$ 4,733</u>	<u>\$ (1,577)</u>	<u>\$ 8,541</u>

See Independent Auditor's Report.

**Financial Executives International and Affiliate
Consolidating Statement of Financial Position
June 30, 2021
(\$ In Thousands)**

	<u>FEI</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 816	\$ 338	\$ -	\$ 1,154
Investments	4,187	2,620	-	6,807
Accounts receivable, net	33	907	(861)	79
Government grants receivable	160	160	-	320
Prepaid expenses	<u>125</u>	<u>33</u>	<u>-</u>	<u>158</u>
Total current assets	5,321	4,058	(861)	8,518
Long-term investments	-	1	-	1
Equipment and leasehold improvements, net	123	-	-	123
Other assets	<u>9</u>	<u>41</u>	<u>-</u>	<u>50</u>
Total assets	<u>\$ 5,453</u>	<u>\$ 4,100</u>	<u>\$ (861)</u>	<u>\$ 8,692</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 1,397	\$ 506	\$ (861)	\$ 1,042
Unearned revenue	868	476	-	1,344
PPP loan payable	-	273	-	273
Other current liabilities	<u>114</u>	<u>-</u>	<u>-</u>	<u>114</u>
Total current liabilities	2,379	1,255	(861)	2,773
Pension plan and other post-retirement benefits	<u>982</u>	<u>110</u>	<u>-</u>	<u>1,092</u>
Total liabilities	<u>3,361</u>	<u>1,365</u>	<u>(861)</u>	<u>3,865</u>
Net assets - without donor restrictions				
Available for general use	5,163	3,208	-	8,371
Pension liability adjustment	<u>(3,071)</u>	<u>(473)</u>	<u>-</u>	<u>(3,544)</u>
Total net assets	<u>2,092</u>	<u>2,735</u>	<u>-</u>	<u>4,827</u>
Total liabilities and net assets	<u>\$ 5,453</u>	<u>\$ 4,100</u>	<u>\$ (861)</u>	<u>\$ 8,692</u>

See Independent Auditor's Report.

Financial Executives International and Affiliate
Consolidating Statement of Activities and Changes in Net Assets
Year Ended June 30, 2022
(\$ In Thousands)

	<u>FEI</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues				
Membership dues and fees	\$ 1,533	\$ -	\$ -	\$ 1,533
Professional development	23	2,609	-	2,632
Content	6	429	-	435
Contributions	-	438	-	438
Royalty	-	33	(33)	-
PD management fee	-	51	(51)	-
Technical activities	622	-	-	622
Other revenues	<u>246</u>	<u>-</u>	<u>-</u>	<u>246</u>
Total operating revenues	<u>2,430</u>	<u>3,560</u>	<u>(84)</u>	<u>5,906</u>
Operating activities and expenses				
Program services				
Professional development	-	1,520	-	1,520
Member services and chapter support	1,399	-	-	1,399
Technical activities	803	-	-	803
Content	<u>33</u>	<u>632</u>	<u>(33)</u>	<u>632</u>
Total program services	<u>2,235</u>	<u>2,152</u>	<u>(33)</u>	<u>4,354</u>
Supporting services				
Management and general	804	636	(51)	1,389
Fundraising	<u>-</u>	<u>124</u>	<u>-</u>	<u>124</u>
Total supporting services	<u>804</u>	<u>760</u>	<u>(51)</u>	<u>1,513</u>
Total operating activities and expenses	<u>3,039</u>	<u>2,912</u>	<u>(84)</u>	<u>5,867</u>
Change in operating activities	<u>(609)</u>	<u>648</u>	<u>-</u>	<u>39</u>
Nonoperating revenue				
Net investment return	(221)	(315)	-	(536)
Other components of net periodic pension cost	166	36	-	202
Pension related changes other than net periodic pension cost	219	31	-	250
Government grants	85	97	-	182
Forgiveness of debt	<u>-</u>	<u>273</u>	<u>-</u>	<u>273</u>
Total nonoperating revenue	<u>249</u>	<u>122</u>	<u>-</u>	<u>371</u>
Change in net assets without donor restrictions	(360)	770	-	410
Net assets without donor restrictions				
Beginning of year	<u>2,092</u>	<u>2,735</u>	<u>-</u>	<u>4,827</u>
End of year	<u>\$ 1,732</u>	<u>\$ 3,505</u>	<u>\$ -</u>	<u>\$ 5,237</u>

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Financial Executives International and Affiliate
Consolidating Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021
(\$ In Thousands)

	<u>FEI</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues				
Membership dues and fees	\$ 1,918	\$ -	\$ -	\$ 1,918
Professional development	25	2,115	-	2,140
Content	3	439	-	442
Contributions	-	427	-	427
Royalty	-	33	(33)	-
PD management fee	-	34	(34)	-
Technical activities	411	-	-	411
Other revenues	339	-	-	339
Total operating revenues	<u>2,696</u>	<u>3,048</u>	<u>(67)</u>	<u>5,677</u>
Operating activities and expenses				
Program services				
Professional development	-	1,091	-	1,091
Member services and chapter support	1,323	-	-	1,323
Technical activities	740	-	-	740
Content	33	637	(33)	637
Total program services	<u>2,096</u>	<u>1,728</u>	<u>(33)</u>	<u>3,791</u>
Supporting services				
Management and general	864	749	(34)	1,579
Fundraising	-	172	-	172
Total supporting services	<u>864</u>	<u>921</u>	<u>(34)</u>	<u>1,751</u>
Total operating activities and expenses	<u>2,960</u>	<u>2,649</u>	<u>(67)</u>	<u>5,542</u>
Change in operating activities	<u>(264)</u>	<u>399</u>	<u>-</u>	<u>135</u>
Nonoperating revenue (expense)				
Net investment return	937	623	-	1,560
Other components of net periodic pension cost	50	11	-	61
Pension related changes other than net periodic pension cost	1,097	248	-	1,345
Government grants	160	160	-	320
Total nonoperating revenue (expense)	<u>2,244</u>	<u>1,042</u>	<u>-</u>	<u>3,286</u>
Change in net assets without donor restrictions	1,980	1,441	-	3,421
Net assets without donor restrictions				
Beginning of year	<u>112</u>	<u>1,294</u>	<u>-</u>	<u>1,406</u>
End of year	<u>\$ 2,092</u>	<u>\$ 2,735</u>	<u>\$ -</u>	<u>\$ 4,827</u>

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Financial Executives International and Affiliate
Consolidating Statement of Cash Flows
Year Ended June 30, 2022
(\$ In Thousands)

	<u>FEI</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Totals</u>
Operating activities				
Change in net assets without donor restrictions	\$ (360)	\$ 770	\$ -	\$ 410
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities				
Depreciation and amortization	68	-	-	68
PPP loan forgiveness	-	(273)	-	(273)
Unrealized losses on investments	558	360	-	918
Realized gains on investments	(184)	-	-	(184)
Pension related changes other than net periodic pension cost	(219)	(31)	-	(250)
Changes in				
Accounts receivable	11	(779)	716	(52)
Government grants receivable	(29)	(96)	-	(125)
Prepaid expenses and other assets	(17)	55	-	38
Accounts payable, accrued expenses and other current liabilities	824	154	(716)	262
Unearned revenue	(121)	49	-	(72)
Pension plan and other post-retirement benefits	(192)	(36)	-	(228)
Net cash provided by operating activities	<u>339</u>	<u>173</u>	<u>-</u>	<u>512</u>
Investing activities				
Proceeds from redemption of investments	1,099	712	-	1,811
Purchases of investments	(997)	(845)	-	(1,842)
Purchases of equipment and leasehold improvements	(48)	-	-	(48)
Net cash provided by (used in) investing activities	<u>54</u>	<u>(133)</u>	<u>-</u>	<u>(79)</u>
Net change in cash and cash equivalents	393	40	-	433
Cash and cash equivalents				
Beginning of year	<u>816</u>	<u>338</u>	<u>-</u>	<u>1,154</u>
End of year	<u>\$ 1,209</u>	<u>\$ 378</u>	<u>\$ -</u>	<u>\$ 1,587</u>

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Financial Executives International and Affiliate
Consolidating Statement of Cash Flows
Year Ended June 30, 2021
(\$ In Thousands)

	<u>FEI</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Totals</u>
Operating activities				
Change in net assets without donor restrictions	\$ 1,980	\$ 1,441	\$ -	\$ 3,421
Adjustments to reconcile change in net assets without donor restrictions to net cash used in operating activities				
Depreciation and amortization	140	-	-	140
Deferred rent	(13)	-	-	(13)
Sublease liability	(53)	-	-	(53)
Unrealized losses (gains) on investments	(825)	(572)	-	(1,397)
Realized gains on investments	(13)	-	-	(13)
Pension related changes other than net periodic pension cost	(1,097)	(248)	-	(1,345)
Changes in				
Accounts receivable	63	38	178	279
Government grants receivable	(160)	(160)	-	(320)
Prepaid expenses and other assets	106	(8)	-	98
Accounts payable, accrued expenses and other current liabilities	218	222	(178)	262
Unearned revenue	(234)	(574)	-	(808)
Pension plan and other post-retirement benefits	(74)	(11)	-	(85)
Net cash provided by operating activities	<u>38</u>	<u>128</u>	<u>-</u>	<u>166</u>
Investing activities				
Proceeds from redemption of investments	664	201	-	865
Purchases of investments	(400)	(339)	-	(739)
Purchases of equipment and leasehold improvements	(81)	-	-	(81)
Net cash provided by (used in) investing activities	<u>183</u>	<u>(138)</u>	<u>-</u>	<u>45</u>
Net change in cash and cash equivalents	221	(10)	-	211
Cash and cash equivalents				
Beginning of year	<u>595</u>	<u>348</u>	<u>-</u>	<u>943</u>
End of year	<u>\$ 816</u>	<u>\$ 338</u>	<u>\$ -</u>	<u>\$ 1,154</u>

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